

Monthly Operating Report

CASE NAME: Superior Air Parts, Inc.
CASE NUMBER: 08-36705-BJH-11
JUDGE:

ACCRUAL BASIS

02/13/95, RWD, 2/96, RWD, 7/99

UNITED STATES BANKRUPTCY COURT
Northern DISTRICT OF Texas
Dallas DIVISION

MONTHLY OPERATING REPORT

MONTH ENDING: March, 2009

I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

President
TITLE

Kent Abercrombie
PRINTED NAME OF RESPONSIBLE PARTY

4-20-09
DATE

PREPARER:


ORIGINAL SIGNATURE OF PREPARER

President
TITLE

Kent Abercrombie
PRINTED NAME OF PREPARER

4-20-09
DATE

Monthly Operating Report

CASE NAME: SUPERIOR AIR PARTS, INC.
CASE NUMBER: 08-36705-BJH-11

ACCRUAL BASIS-1

COMPARATIVE BALANCE SHEET

	ASSETS	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
			1/31/2009	2/28/2009	3/31/2009
	1. UNRESTRICTED CASH	412,357	1,113,948	2,186,122	3,082,131
	2. RESTRICTED CASH	0	291,195	269,590	0
	3. TOTAL CASH	412,357	1,405,143	2,455,712	3,082,131
a.	4. ACCOUNTS RECEIVABLE (NET)	5,392,055	6,187,448	6,349,521	5,263,623
b.	5. INVENTORY	11,158,744	9,924,648	8,726,576	8,271,058
	6. NOTES RECEIVABLE	0	0	0	0
	7. PREPAID EXPENSES	85,107	323,822	604,025	451,762
	8. OTHER (ATTACH LIST)	13,385	0	0	0
	9. TOTAL CURRENT ASSETS	16,649,291	16,435,918	15,680,121	13,986,443
c.	10. PROPERTY, PLANT, & EQUIPMENT	1,062,565	6,491,589	6,491,589	6,491,589
c.	11. LESS: ACCUMULATED DEPRECIATION/DEPLETION	0	5,193,136	5,243,269	5,292,655
	12. NET PROPERTY, PLANT & EQUIPMENT	1,062,565	1,298,453	1,248,320	1,198,935
	13. DUE FROM INSIDERS	0	0	0	0
	14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	0	1,194,515	1,168,317	1,142,118
	15. OTHER (ATTACH LIST)	15,471	0	0	0
	16. TOTAL ASSETS	18,139,684	20,334,029	20,552,470	19,409,627
	POSTPETITION LIABILITIES				
	17. ACOCUNTS PAYABLE		456,820	849,098	381,647
	18. TAXES PAYABLE		301,804	312,722	345,478
d.	19. NOTES PAYABLE		51,555	96,667	146,611
	20. PROFESSIONAL FEES		133,731	457,490	321,779
	21. SECURED DEBT				
	22. OTHER (ATTACH LIST)		33,764	61,346	124,125
	23. TOTAL POSTPETITION LIABILITIES	0	977,674	1,777,322	1,319,641
	PREPETITION LIABILITIES				
	24. SECURED DEBT	10,291,701	10,146,611	10,146,611	10,146,611
	25. PRIORITY DEBT	74,641	0	0	0
	26. UNSECURED DEBT	16,897,517	16,949,094	16,806,899	16,866,817
	27. OTHER (ATTACH LIST)	0	3,310,194	3,310,194	3,310,194
	28. TOTAL PREPETITION LIABILITIES	27,263,859	30,405,899	30,263,704	30,323,622
	29. TOTAL LIABILITIES	27,263,859	31,383,573	32,041,026	31,643,263
	EQUITY				
e.	30. PREPETITION OWNERS' EQUITY		(11,010,850)	(11,010,850)	(11,010,850)
	31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(38,692)	(477,705)	(1,222,785)
	32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)			0	
	33. TOTAL EQUITY	0	(11,049,542)	(11,488,555)	(12,233,635)
	34. TOTAL LIABILITIES & OWNERS EQUITY	27,263,859	20,334,031	20,552,471	19,409,628

Accrual Basis - 1 Attachment

14. Other Assts	
PMA's	1,123,941
Engine Manuals	<u>18,177</u>
	1,142,118
22. Other	
Accrued Payroll	(15,711)
Accrued Profit Sharing	3,492
401(K) Contribution Payable	1,670
401(K) Employer Match	1,907
Accrued Insurance - SIR	(135,000)
Accrued Scrap	10,000
Piston Warranty	(4,619)
Accrued Advertising	14,428
Deferred Core Profit	(85)
Deferred Core Profit - Contra	<u>(207)</u>
	(124,125)
27. Other	
Accrued Payroll	(11,783)
Accrued Vacation Pay	(57,237)
Accrued Profit Sharing	(3,878)
401(K) Contribution Payable	(5,997)
401(K) Employer Match	(3,215)
Accrued Bonuses	-
Accrued Insurance - SIR	(1,855,797)
Accrued Scrap	(10,000)
Piston Warranty	(876,390)
Mil Engine Warranty	(227,209)
520 Cylinder Reserve	(207,177)
Accrued Advertising	(14,428)
Deferred Core Profit	(121,228)
Deferred Core Profit - Contra	124,526
Sales Ret & Allow Reserve	<u>(40,382)</u>
	(3,310,194)

CASE NAME: SUPERIOR AIR PARTS, INC.
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ACCRUAL BASIS-2

INCOME STATEMENT

	MONTH	MONTH	MONTH	QUARTER
REVENUES	1/31/2009	2/28/2009	3/31/2009	TOTAL
1. GROSS REVENUES	1,995,305	1,595,967	607,426	4,198,698
2. LESS: RETURNS & DISCOUNTS	90,642	27,340	15,714	133,696
3. NET REVENUE	1,904,663	1,568,627	591,712	4,065,001
COST OF GOODS SOLD				
4. MATERIAL	1,225,954	1,196,428	509,074	2,931,456
5. DIRECT LABOR	0	0	0	0
6. DIRECT OVERHEAD	0	0	0	0
7. TOTAL COST OF GOODS SOLD	1,225,954	1,196,428	509,074	2,931,456
8. GROSS PROFIT	678,709	372,198	82,638	1,133,545
OPERATING EXPENSES				
9. OFFICER/INSIDER COMPENSATION	11,000	10,000	11,000	32,000
10. SELLING & MARKETING	7,315	5,766	500	13,581
11. GENERAL & ADMINISTRATIVE	483,845	636,724	645,743	1,766,312
12. RENT & LEASE	33,936	35,612	43,279	112,827
13. OTHER (ATTACH LIST)	0	0	0	0
14. TOTAL OPERATING EXPENSES	536,096	688,102	700,522	1,924,720
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	142,613	(315,904)	(617,884)	(791,175)
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATT. LIST)	0	0	0	0
17. NON-OPERATING EXPENSE (ATT. LIST)	0	0	0	0
18. INTEREST EXPENSE	49,944	45,111	49,944	145,000
19. DEPRECIATION/DEPLETION	50,350	50,133	49,385	149,869
20. AMORTIZATION	26,198	26,198	26,198	78,595
21. OTHER (ATTACH LIST)	0	0	0	0
22. NET OTHER INCOME & EXPENSES	126,492	121,443	125,528	373,463
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	0	0	0	0
24. U.S. TRUSTEE FEES	325	0	0	325
25. OTHER (ATTACH LIST)	0	0	0	0
26. TOTAL REORGANIZATION EXPENSES	325	0	0	325
27. INCOME TAX	1,667	1,667	1,667	5,001
28. NET PROFIT (LOSS)	14,129	(439,014)	(745,079)	(1,169,964)

CASE NAME: SUPERIOR AIR PARTS, INC.
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ACCRUAL BASIS-3

INCOME STATEMENT

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	1/31/2009	2/28/2009	3/31/2009	TOTAL
1. CASH - BEGINNING OF MONTH	489,772	1,112,776	2,184,950	3,787,498
RECEIPTS FROM OPERATIONS				
2. CASH SALES	0	0	0	0
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION	0			0
4. POSTPETITION	927,778	1,359,115	1,666,224	3,953,117
5. TOTAL OPERATING RECEIPTS	927,778	1,359,115	1,666,224	3,953,117
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)	0	0	0	0
7. SALE OF ASSETS	0	0	0	0
8. OTHER (ATTACH LIST)	0	0	0	0
9. TOTAL NON-OPERATING RECEIPTS	0	0	0	0
10. TOTAL RECEIPTS	927,778	1,359,115	1,666,224	3,953,117
11. TOTAL CASH AVAILABLE	1,417,550	2,471,891	3,851,174	7,740,616
OPERATING DISBURSEMENTS				
12. NET PAYROLL	72,395	58,092	57,592	188,079
13. PAYROLL TAXES PAID	55,858	23,778	22,675	102,311
14. SALES, USE, & OTHER TAXES PAID	106,358	39,456	0	145,814
15. SECURED/RENTAL/LEASES	34,865	48,503	19,068	102,435
16. UTILITIES	0	1,170	1,639	2,810
17. INSURANCE	6,270	55,374	437,858	499,502
18. INVENTORY PURCHASES	0	250	92,711	92,961
19. VEHICLE EXPENSES	0	0	0	0
20. TRAVEL	0	0	0	0
21. ENTERTAINMENT	0	0	0	0
22. REPAIRS & MAINTENANCE	0	5,059	5,844	10,904
23. SUPPLIES	0	2,822	7,165	9,988
24. ADVERTISING	0	4,556	0	4,556
25. OTHER (ATTACH LIST)	29,028	47,555	125,663	202,246
26. TOTAL OPERATING DISBURSEMENTS	304,774	286,616	770,215	1,361,605
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES	0	0	0	0
28. U.S. TRUSTEE FEES	0	325	0	325
29. OTHER (ATTACH LIST)	0	0	0	0
30. TOTAL REORGANIZATION EXPENSES	0	325	0	325
31. TOTAL DISBURSEMENTS	304,774	286,941	770,215	1,361,930
32. NET CASH FLOW	623,004	1,072,174	896,009	2,591,187
33. CASH - END OF MONTH	1,112,776	2,184,950	3,080,959	6,378,686

Accrual Basis - 3 Attachment

25. Other

CASE NAME: SUPERIOR AIR PARTS, INC.

ACCRUAL BASIS-4

CASE NUMBER: 08-36705-BJH-11

ACCOUNTS RECEIVABLE AGING		SCHEDULE AMOUNT	MONTH 1/31/2009	MONTH 2/28/2009	MONTH 3/31/2009
1.	0-30	1,746,699	2,356,272	2,386,483	1,223,651
2.	31-60	129,130	405,439	357,409	189,205
3.	61-90	48,258	72,248	305,862	314,018
4.	91+	3,467,968	3,523,074	3,541,859	3,802,146
5.	TOTAL ACCOUNTS RECEIVABLE	5,392,055	6,357,033	6,591,614	5,529,020
6.	AMOUNT CONSIDERED UNCOLLECTIBLE	0	4,096,264	4,154,909	3,889,260
7.	ACCOUNTS RECEIVABLE (NET)	5,392,055	2,260,769	2,436,705	1,639,760

AGING OF POSTPETITION TAXES AND PAYABLES

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					0
2. STATE					0
3. LOCAL					0
4. OTHER (ATTACH LIST)					0
5. TOTAL TAXES PAYABLE					0
6. ACCOUNTS PAYABLE	385,396	(305)	(1,564)	(1,880)	381,647

STATUS OF POSTPETITION TAXES

	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING**	0	9,659	9,659	0
2. FICA - EMPLOYEE**	0	4,851	4,851	0
3. FICA - EMPLOYER**	0	4,851	4,851	0
4. UNEMPLOYMENT	0	43	43	0
5. INCOME	0	0	0	0
6. OTHER (ATTACH LIST)	0	2,269	2,269	0
7. TOTAL FEDERAL TAXES	0	21,674	21,674	0
STATE AND LOCAL				
8. WITHHOLDING	0	0	0	0
9. SALES	2,656	1,089	0	3,745
10. EXCISE	0	0	0	0
11. UNEMPLOYMENT	0	417	417	0
12. REAL PROPERTY	0	0	0	0
13. PERSONAL PROPERTY	0	0	0	0
14. OTHER (ATTACH LIST)	0	0	0	0
15. TOTAL STATE & LOCAL	2,656	1,506	417	3,745
16. TOTAL TAXES	2,656	23,180	22,091	3,745

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.